



Irish Life Weekly Investment Bulletin

The week that was – WEEK 48 (ending 25/11/2016)

“Sometimes you win, sometimes you learn.” – John Maxwell

Irish employment increases by 2.9% in year to Q3 2016 – According to latest Quarterly National Household Survey by the Central Statistics Office, there was an annual increase in employment of 2.9% (3.3% female and 2.6% male) or 57,500 in the year to the third quarter of 2016, bringing employment total to 2,040,500.

Central Bank loosens mortgage lending rules – The Central Bank of Ireland announced that first-time buyers will be able to borrow at a 90% loan-to-value (LTV) at all price points compared to previous 90% LTV on first €220,000 and 80% on balance. For mover-purchasers, only 20% of mortgage can exceed 80% LTV.

U.K. Chancellor says growth forecasts cut because of Brexit vote – Chancellor of the Exchequer, Philip Hammond said that the Office for Budget Responsibility forecasted gross domestic product would grow 1.4% in 2017 and 1.7% in 2018, down from March's pre-referendum estimates of 2.2% and 2.1% respectively.

Global stock market up 1.4% on the week – The MSCI AC World had a 1.42% return from 18th November to 25th November with the four major U.S. equity indices, the Dow, S&P 500 Index, Nasdaq Composite Index and the Russell 2000® Index all setting record highs on Tuesday. This last happened on 31st December 1999.

Top ECB officials pledge continued support to euro zone economy – European Central Bank President Mario Draghi and Executive Board member Benoit Coeure reiterated the need to maintain monetary economic support. This has hardened expectations for an extension of the ECB's bond-buying scheme next month.

Japanese inflation falls for eighth straight month – Japan's core consumer prices have continued their slide, with prices falling for the eighth month in a row and the longest sequence of declines since 2011. Bank of Japan governor Haruhiko Kuroda has pointed a finger at weak oil prices as the chief culprit behind the fall.

The Story of the week: Online challenges have been all the rage, from tipping ice over your head, doing 22 push-ups a day, pretending to be a mannequin and the latest, the 'Back Pack Challenge', where competitors run through a gauntlet of people lobbing bags at them. The videos have popped up online showing people being pummelled with ruck sacks as they try to sprint through two rows of sadistic 'friends'. Nobody knows what's contained in the bags and some look suspiciously heavy. Many online viewers feel the new challenge looks exceedingly dangerous so the moral of the story is - don't be a dummy, stick to being a mannequin.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 25/11)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-6.2
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	13.8
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-4.0
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	10.4
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	7.8
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-3.4
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	6.7
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	4.7
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	2.3
German	1.8	1.4	1.9	0.5	0.6	0.2
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	0.0
Ireland	8.4	4.5	3.4	1.3	1.1	1.0
Italy	7.1	4.6	4.1	2.1	1.6	2.1
Greece	31.7	12.7	8.2	9.6	7.9	6.8
Portugal	13.4	6.9	6.1	2.7	2.5	3.6
Spain	5.1	5.4	4.1	1.6	1.7	1.8
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.06
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.86
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.24
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	1.3 (to end of Q3)
U.S.	14.5	5.3	11.4	11.2	12.1	5.9 (to end of Q3)

*Past performance is not a reliable guide to future performance